

Session 2.

## Doing Better for Families



Families are changing. Life expectancy has increased and birth rates have fallen. In many families there are more grandparents and fewer children than before. Increasingly, families are living in non-traditional ways: there is more cohabitation, people marry at older ages, marriages end in divorce more often and remarriages are on the rise.

All OECD governments aim to support families and to give parents more choice in their work and family decisions. Countries differ considerably, however, in the types and intensity of support provided to families. These differences are rooted in countries' history, in national policy attitudes towards families, and the role of government within the respective society.

### Investing in families now, saves costly interventions later

More effective public policies which do better for families can have large private and public pay-offs. By supporting families and children more effectively now, policy is likely to avoid costly negative outcomes in the future. Better co-ordination and co-location of services for families generates economies of scale and also ensures that more families get the variety of services they may need. But family policy is not just about services, cash allowances, or tax advantages for families, it is also about reconciling work and family responsibilities, helping parents to have the number of children they desire, mobilising female labour supply, promoting gender equality, combating child and family poverty, promoting child development and generally enhancing child well-being from an early age.

### Parental choices and child well-being

People in OECD countries tend to have fewer children than they say they would like. Young adults are postponing parenthood as they generally want to establish careers before they have children and often encounter difficulties in balancing work with family commitments. The availability and cost of housing and

education may also constitute a barrier. Many governments have increased support for families with newborns, through changes in parental leave or the introduction of "baby-bonus" payments, or increased investment in childcare. To help people realize their plans to have children, good policies to reconcile work and family life are required. Financial transfers to families can play an important role, at the same time the evidence seems to suggest that investment in high quality childcare is the most effective tool.

Policies should avoid "gaps" in support for families during the early years: between, for example, parental leave running out and when good-quality, affordable childcare becomes available. Yet public spending on children is still largely concentrated on the years of compulsory schooling even though investment in the early years yields high returns, particularly if this is maintained throughout childhood. Countries that devote a large share of spending on childcare services perform well on a range of work, family and child well-being indicators.

Investment in early years policies is important for parental labour supply choices as well as for child outcomes. Career-wise, women are probably best advised to return to work at an early stage after

childbirth, as prolonged periods out of work can permanently damage their labour market position. Also, parental employment increases household income and so reduces the risk of poverty supporting child well-being and development. On the other hand, evidence suggests that a return to paid work by mothers within six months upon childbirth may have negative effects on child cognitive outcomes, particularly when employment is on a full-time basis. The effects are, however, small, not universally observed and, in certain circumstances balanced by positive effects related to having extra family income. The literature also suggests that childcare quality is critical for child development, particularly for the early years, and the gains from participation in high-quality formal care are largest for disadvantaged children.

The efficiency of family service delivery can be increased in a number of ways. Universal support systems ensure that all children are covered, without stigma, but they are expensive. A cascaded approach will often be more efficient. For example, a universal system of health visits for families with infants could be supplemented with more intensive service delivery for more vulnerable families, as identified through the universal visits.

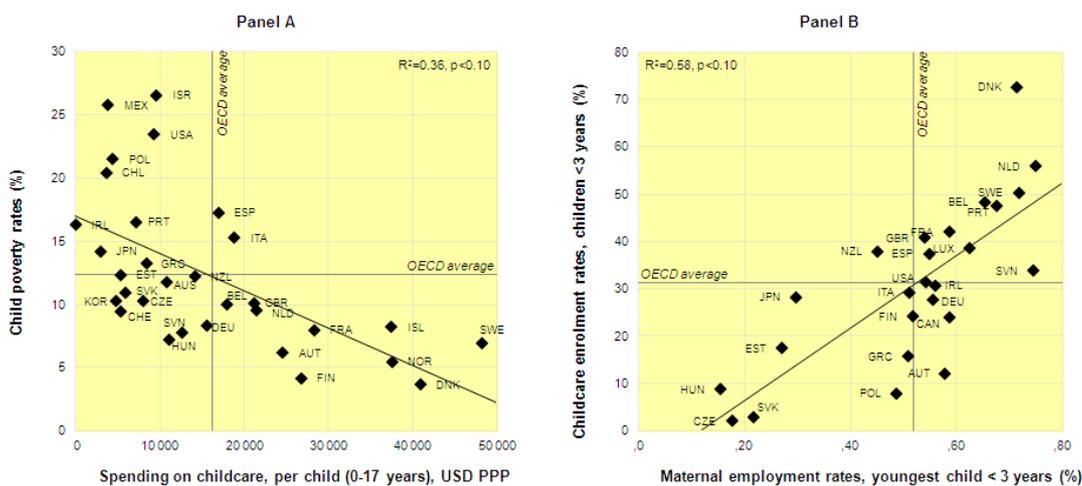
Young women are now equally or better educated than young men in both the OECD and major emerging economies (except India). Employment and wage differentials are smallest for younger women, but on average across the OECD, female employment is still 13 percentage points less than for men, and median earnings are 16% below those of men. Employers are often reluctant to invest in women's career development when they anticipate women will take time off for caring. If women cannot fulfil their labour market aspirations and have to settle for second rate jobs, they may withdraw altogether from the labour market. Even if they remain in work, their potential might not be fully realised. Indeed, the under-representation of women in senior positions also helps explain their difficulties in advancing to the highest levels. Even when women do reach decision-making positions, they tend to occupy functional roles, such as human resources, legal and public relations, rather than strategic management roles.

Greater participation of women in the labour market would help countries cope with population ageing, but men will have to take on a greater share of responsibilities at home. Some progress has been made. But since many more mothers than fathers take parental leave or reduce working hours when

they have young children, it is no surprise that women do most of the unpaid work at home in all OECD countries. On average, women devote more than two hours per days *extra* to unpaid work than men do. Even non-working fathers devote less time to caring than working mothers across the OECD. The gender gap

in unpaid work is lower in countries, however, with higher female employment rates. There are also clear divisions in the type of care provided by men and women: mothers typically provide physical personal childcare and housework, while fathers spend

Figure 1. Childcare enrolment facilitates maternal employment and reduces child poverty



Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>

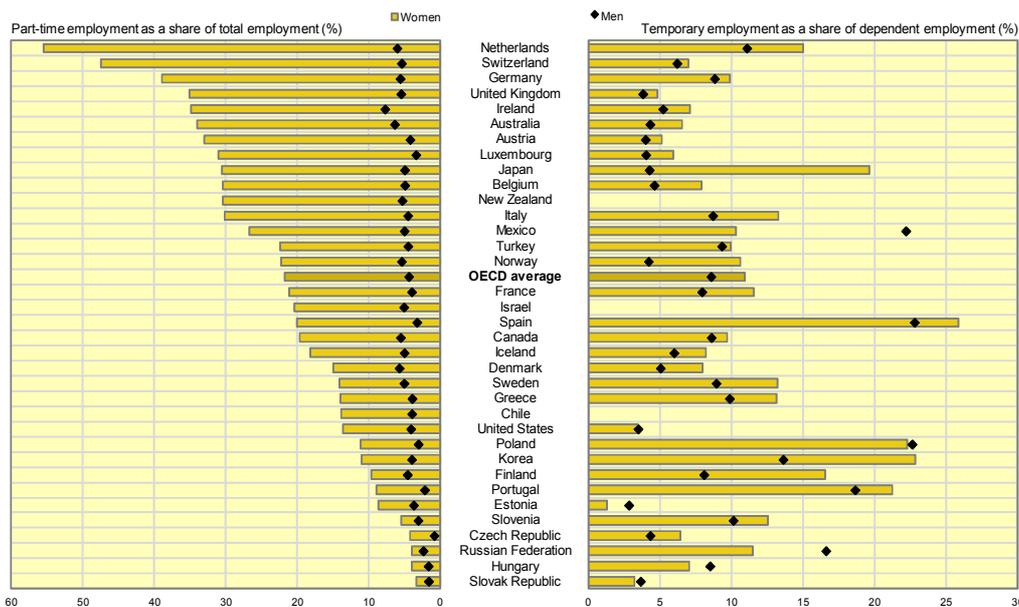
Source: OECD Family Database ([www.oecd.org/els/social/family/database](http://www.oecd.org/els/social/family/database)).

proportionally more time on educational and recreational childcare activities.

It has now been some time since OECD countries outlawed gender discrimination in the workplace, but inequities persist. Some governments have taken further legislative action in two main areas. First, some countries are encouraging more joint custodial arrangements in the event of family dissolution rather than granting custody to one parent, usually the mother. Secondly, fathers have been given the exclusive right to part of the paid parental leave entitlement, which has resulted in more fathers taking more parental leave, but it is unclear whether this has led to a more equal sharing of responsibilities in the household and whether these changes are durable.

**Figure 2. Women are more likely to work part-time, and have temporary contracts, than men**

Part-time work as a share of total employment, 2009,<sup>1</sup> and temporary employment as a share of dependent employment, 2008<sup>2</sup>



Note: Dependent employment refers to total employment rates minus self-employment rates.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>

1. Data refers to 2004 for Mexico; 2007 for Chile, Israel and the Russian Federation.

2. Data refers to 2004 for Mexico; 2005 for the United States; 2007 for the Russian Federation.

Source: OECD Employment Statistics ([www.oecd.org/employment/ekystatistics](http://www.oecd.org/employment/ekystatistics)).

Families with complex needs often face many risks: very low incomes, unemployment, low educational attainment, insecure or poor housing, and both mental and physical health problems. Each of these factors affects families today and children’s future. Multiple risks require multiple interventions; and these are most effectively delivered through integrated or co-located services. Examples of this include greater co-ordination of local services delivered by municipal health, education and family departments (as in the Nordic countries); personal advisers for services users (as adopted in many employment services); joint funding of broad-ranging initiatives (such as the “Stronger families and communities strategy” in Australia); co-location of complementary services for children and families (such as the “Sure start” scheme in the United Kingdom and New Zealand’s “Community link”). In late 2010, the United States launched its federal

“Opening Doors” initiative to prevent and end homelessness. Housing services are integrated with a range of social, health, employment and educational services to increase the effectiveness of homelessness interventions and lower overall costs.

Integrating service delivery is often more efficient: there are economies of scale, particularly for co-location on physical sites such as schools, clinics or childcare centres. Co-location can promote innovative working practices, consensus on the best way of helping families in need and reduce the risk that support is withdrawn or approved unjustly. Disadvantage and the causes of the disadvantage can be addressed simultaneously: for example, poor health leading to homelessness or *vice versa*. Clients have quicker and easier access to services and avoid the need for repeat visits.

Financial support can also be made conditional on achieving family policy objectives and better child outcomes. Such conditions can include: job-search requirements for parents on income support provided childcare supports are available; pre-school participation of toddlers; timely vaccinations of

children, which are especially important for South Africa and India where more than 3 in 10 children are not receiving sufficient immunizations compared to 1 in 10 children in OECD countries; medical visits and participation in formal education, as in the Brazilian and Mexican conditional cash transfer programmes. ■

## Issues

### **1** Parental choices and child well-being

- Which policies will work best in enabling people to realize their plans to have children at the time of their choice?
- Does the current timing of return to work after childbirth of parents create problems. If so, what government or company policies are needed to facilitate a solution?
- What is the best mix between cash and in-kind support at different points in the child's life so that both child well-being objectives and incentives to work are advanced, and how might family benefits conditional on specific requirements be able to help?

### **2** Promoting gender equality

- Which policies will work best in addressing remaining gender inequalities at the workplace?
- How can fathers be encouraged to spend more time on caring for children at the time of birth and as children age?
- Is there a need for further legislation to advance gender equality?

### **3** Integrating service delivery

- Which elements should a package of integrated services for families with complex needs in particular contain?
- What constraints do policy makers face in integrating services and how can they best be overcome?
- How might schools play a greater role in delivering a full range of health and nutritional services for children?

[www.oecd.org/social/ministerial](http://www.oecd.org/social/ministerial)